

STATE SENATOR • GILDA Z. JACOBS • 14TH DISTRICT

Jacobs Press Release

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SENATOR GILDA JACOBS OPPOSES NO-FAULT INSURANCE REDUCTIONS

Jacobs: ‘Changes are anti-victim and destructive.’

LANSING – Sen. Gilda Jacobs has introduced legislation that would thwart insurance industry efforts to reduce benefits under the Michigan Automobile No-Fault Insurance Act. The 30-year-old act was intended to provide unlimited lifetime medical care for victims of automobile accidents. Recently proposed industry restrictions include caps on home care benefits, altering the threshold injury standard, imposing mandatory coordination of benefits, requiring managed care for treatment, and forcing some accident victims to pay their own medical expenses.

“By continuing to erode the rights of victims and by eliminating the original safeguards that were put in place to protect consumers, the insurance industry threatens the very intent of the No-Fault Act,” Jacobs said. “This legislation is intended to preserve and protect Michigan citizens and assure that their rights under the act are guaranteed.”

Jacobs’ comprehensive legislative package would guarantee patients the right to select medical providers; preserve the patient’s right to select or approve his or her own case manager; protect the right to select in-home care; protect work loss benefits; and protect the rights of minors and persons who are mentally incompetent in claims enforcement, all of which are threatened under the proposed restrictions. The legislation would also require insurance companies to operate in good faith with full disclosure. It will also result in minimizing bureaucratic expense.

The proposed industry changes, combined with several significant anti-victim court decisions, have outraged consumer protection advocates and resulted in the formation of the Coalition Protecting Auto-No Fault (CPAN), whose members include numerous healthcare, labor, senior, consumer, and advocacy groups including: AARP-Michigan, Brain Injury Association of Michigan, Michigan Assisted Living Association, Michigan Consumer Federation, Michigan Health & Hospital Association, Michigan Home Health Care Association, Michigan Nurses Association, Michigan Osteopathic Association, Michigan State Medical Society, Michigan State AFL-CIO, Michigan Paralyzed Veterans of America, Michigan Rehabilitation Association and UAW Michigan CAP.

“The No-Fault Act made a promise to the citizens of Michigan that, in the event of a serious injury, the victim will receive a lifetime of medical benefits,” Jacobs said. “I will not allow the insurance industry to break that promise.”

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For photos go to: <http://www.senate.mi.gov/jacobs/062205.htm>